City of Lafayette Staff Report

To:	Lafayette City Council
By:	Steven Falk, City Manager
	Tracy Robinson, Administrative Services Director
Date Written:	February 6, 2008
Meeting Date:	February 11, 2008
Subject:	2008 - 2009 Goals

Introduction
The City of Lafayette establishes goals in several ways and through many forums. Long term goals are articulated in the City's General Plan and the Redevelopment Agency's Redevelopment Plan. Medium term goals for land use are called out in the Zoning Ordinance, specific plans and other planning tools such as the Downtown Strategic Plan. For shorter term planning, the Lafayette City Council has established a practice to meet in January or February each year to discuss its goals for the upcoming year. With input from the City Council, staff then prepares a draft budget, which the Council reviews in May and (usually) approves in June, in that way providing funding to achieve the goals.

Background
To provide context, *Attachment A* contains a checklist and progress report on goals established by the City Council since 1998. Goals that were established in one year but completed or relisted in a subsequent year are only shown once.

Progress on 2007-2008 Goals

- ☐ Complete the Lafayette Parks Master Plan. ***In progress.***
- ☐ Develop a funding strategy to address the City's neighborhood road funding deficiency. ***In progress.***
- ☐ Launch the Downtown Strategic Plan process. ***Completed.***
- ☐ Provide funding for and begin implementation of the City's environmental strategy. ***Completed.***

9A

- ☐ Evaluate Community Center maintenance issues and funding; consider sustainable development practices. ***In progress.***
- ☐ Make steady progress on building the Lafayette Library and Learning Center, and develop a strategy for governing, operating, and funding the facility once it is completed. ***In progress.***
- ☐ Pursue affordable housing programs. Work cooperatively with Eden Housing to develop affordable senior housing. ***In progress.***
- ☐ Evaluate the City's emergency preparedness capabilities. ***Completed.***

Discussion

For the past several years, funding issues have dominated City Council agendas because, among other service deficits, Lafayette provides the lowest per-capita police staffing in Contra Costa County and also faces an unfunded $23M road repair backlog. Compared to other cities, Lafayette's annual revenue budget is severely limited by the City's lack of auto malls or big box stores that generate large amounts of sales taxes for other Cities. Also, the fact that Lafayette receives a relatively low share of the property tax[1] collected from its residents. In several attempts to compensate for the City's relatively disadvantaged position, Lafayette has been aggressive about seeking new resources to fund critical shortfalls. Notably, the City has recently:

- Doubled the parking meter rate.
- Doubled the number of parking meters *(currently being installed).*
- Negotiated with the County to capture a fair share of RDA increment.
- Publicized the Restaurant Row economic development plan to increase sales tax revenue.
- Retained a consultant to audit the City's impact fee structure and make recommendations regarding options for raising, restructuring, or instituting new fees that would garner new revenues for Lafayette.
- Attempted to increase assessments paid by property owners in the Core Area Assessment District *(unsuccessful).*
- Made the City's fee-based recreation programs to be self-sufficient.

[1] About 6.4% of the property taxes paid by landowners is returned to the City.

- Established planning and building fees that recoup more than 90% of the expenses for those staff activities.

- Asked voters (twice) to pay a tax that would fund additional police services *(unsuccessful).*

- Asked voters (twice) to pay additional taxes for road repairs *(unsuccessful).*

While there have been successful targeted efforts to capture new funds, the larger, pan-City efforts have not succeeded. As a result, the City of Lafayette by and large, provides the same basket of services to residents that it has for the last ten or twelve years. The City has concentrated on providing basic planning, parks, recreation, public works, and police services without frills, squeezing efficiencies from those basic operations and using what revenue is left over to pay for road reconstruction and provide an emergency reserve. "Squeeze to pave" has been the prevailing philosophy in Lafayette for a long time. However, Lafayette cannot "trim" an $11M annual General Fund budget to solve a $23M road funding problem or easily shift $2M from the budget to increase police services

Recently, a number of residents and businesses have indicated an increased dissatisfaction with the outcomes delivered by the squeeze-to-pave method. Some have suggested that the City squeeze harder, reducing other services to pave more streets. Others would prefer that the City enhance police and/or senior services, generally without offering comment regarding what they would cut. We also hear, anecdotally, that new residents transplanted from other communities arrive in Lafayette expecting more public services, suggesting that the City *expand* the range of services offered, and arguing that many other cities provide a wider array of services than does Lafayette. Since our efforts at capturing new tax revenues for service expansion have failed, the City's fixed revenue budget necessarily requires tradeoffs.

Table A, below, describes, roughly, the various demands that the City faces in the near, medium, and long term. The list is not meant to be comprehensive; there are certainly other service gaps that have either been omitted or that have not yet emerged.

Table A

A Rough Take on Lafayette's Unmet Service Demands

Near Term

More road repair and reconstruction

More police services

More downtown parking

Provide Library hours and services commensurate with a new facility

Mid Term

Implement the Downtown Strategy (e.g., more creek access, more recreation opportunities, more parking, more housing, and more landscaping plus adequate landscape maintenance)

Save money by converting the old library to City offices

Provide enhanced services for the city's fastest growing cohort: seniors

Repair the City's declining asset: the Lafayette Community Center

Long Term

Implement the Parks Master Plan

Acquire Open Space, such as the Deer Hill Ranch, when it comes available

Develop a plan for preserving and enhancing the City's cultural resources, such as the Park Theater

Develop a recreation center for the downtown area.

Table A might be described as a list of unmet service needs. It might also, however, be read to suggest that -- though Lafayette has a healthy reserve, increasing revenues, and the highest bond rating of any city in the east bay -- the City's strong financial performance exists because the City Council sets a higher priority on maintaining reserves to use in an emergency rather than using all available funds to tackle service deficits. Some, for instance, have suggested that the City's $7.5M reserve is too large and that some portion of the funds should be expended on road repairs or additional police services. Others have proposed that the City's effort to reduce long term costs by owning, rather than renting, city offices is misguided and that the funds accumulated in the City Offices Reserve Fund should be spent down now. Still others have eyed the $2M+ that the City has accumulated for downtown parking, suggesting that parking solutions should be the responsibility of private developers.

This being the case, the City Council may have two broad choices – or variants thereof – before it for consideration: (1) Continue to live within the City's existing means by continuing to provide some version of squeeze-to-pave and otherwise allocating scarce resources to best mollify service advocates; or (2) Create a longer-term strategy that somehow divines and (more) fully funds the service levels preferred by a super-majority of residents.[1]

Since the first option represents the City's current strategy and is easy to continue, this memo will discuss option 2: creation of a long-term strategy.

How to Get to Increased Funding and Service Levels

Several steps might be taken to achieve higher funding and service levels, including:

- **Public Education.**

  Before citizens will support a revenue measure for increased municipal programs, they must be persuaded that the City's needs are legitimate. To this end, Lafayette has, over the years used a variety of education strategies with varying degrees of success. These include Town Hall meetings, special City Council meetings held at school sites, time spent at special events such as the Art & Wine Festival, quarterly publication of the Lafayette *Vistas* (including special in-depth issues), development of a broadly informative website, and the uploading and creation of the recent "Budget Buckets" video (which 1,500 people have now viewed). Most recently, Councilmember Andersson has worked to establish a speakers' bureau made up of council members that will be available to speak to any and all resident groups that will extend an invitation. Education is expensive:

[1] Supermajority is used intentionally as one-third of voters can defeat revenue proposals that require two-thirds approval.

the City spends up to $50,000 annually on the *Vistas* alone.

Lafayette's residents, however, are busy and municipal finance is probably the furthest thing from their minds. It is difficult to penetrate the noise levels in most of our residents' lives; most people just want the City to take care of things because they are too busy managing their lives and raising their families to spend too much time worrying about city issues.

- **Efficiency Review.**

Given what we know about governance generally and in Lafayette particularly, a precondition for a successful revenue measure is that existing services must be managed with efficiency and effectiveness before residents will entrust the City with additional funds.

To measure efficiency and effectiveness, cities sometimes create citizen's task forces with the mission to review and evaluate the municipal finances and operations, and to prepare recommendations to the city council. Orinda, for instance, did this last year in advance of its (failed) road bond attempt, and Lafayette did this with success in 1992 with the Lafayette Finance Committee.

The Lafayette Chamber of Commerce has recently offered to provide the services of its membership to review the City's budget to determine if there are savings opportunities.

Efforts like these are often worthwhile because the citizens' review is thought to have an independent quality not colored by past practices, vested interests, or interpersonal history, and is thus considered credible in residents' minds. A review committee should be charged with answering the question of whether there is a more efficient way to provide city services rather than tackling the broader topic of setting the City's mission and priorities, a task that rightfully is the responsibility of the City Council working with citizens.

Having said that, municipal committees -- like some grand juries -- can be time- and staff-consuming and the results might be colored by the individual opinions of "single-issue" members of the appointed committee. The results, therefore, sometimes do not comport with the prevailing views of the City Council or the broad citizenry. This can create an awkward situation for the City Council if it ultimately chooses not to embrace the independent committee recommendations.

- **Collaborative Goal Setting**

  The City Council engages in a variety of practices to hear residents' voices about their civic interests, distill those collective thoughts, allocate resources to meet those citizen priorities, and incorporate them into the City's service plan. The City has spent tens of thousands of dollars during the last 15 years conducting at least six statistically-significant surveys that inquire about residents' interests and satisfaction levels. City Council members have sought direct input from citizens at dozens of public and neighborhood meetings. The City Council holds at least two public meetings each year with the specific purpose to discuss budget priorities, and it otherwise hears about these issues from citizens during the public comment period at its twenty five or so regular meetings, and at a wide variety of less formal gatherings. Most recently, for the downtown area, the City has engaged in a $500,000 strategic plan process.

  The content of Table A, perhaps, reflects the outcomes of those many points of contact and, by and large, it seems fair to say that squeeze-to-pave has been the result of those many information gathering exercises.

  But Table A also points out that conflicts about priorities do exist. Road repairs are important, but so too are police services. Some advocates believe that new services for seniors should be the City's top priority; others suggest that the City's top priority should be preserving open space before it is permanently developed.

  If the object is to get a revenue measure passed, voters will be most inclined to support a measure that generally reflects their interests. This being the case, it would seem that the City Council should discuss if and how it might undertake a renewed effort at information gathering and collaborative goal setting.

- **Option Testing**

  Once the City Council is comfortable with those items noted above, it might develop and test a variety of options for closing the revenue gap. In the past, as noted above, the City has used scientific polling not only to gauge satisfaction levels but also to test options. It is our recollection that our polls have predicted with great accuracy whether a tax measure will be successful or not.

In summary, moving toward a comprehensive solution to meet Lafayette's many priorities will take time, commitment, and leadership. We have that time; this is not a process that will end with this year's budget.

Specific Goals and Objectives

Meanwhile, in addition to the larger discussion regarding general policy and direction, it is the custom for the Council, at the Goals Workshop, to consider a draft specific work plan for the upcoming fiscal year. Regardless of how the Council responds to the longer term challenges, the staff would benefit from direction for the upcoming fiscal year. Given our understanding of the City's needs and the Council's interests, staff has developed the attached draft plan.

Recommendation

Review, discuss, and amend the attached Draft Workplan for the City of Lafayette for FY 2008-2009 and other issues relating to the Council's goals and objectives for FY 2008 – 2009.

City of Lafayette

Draft Workplan

FY 2007- 2008

In progress/process:

- ☐ Complete the Lafayette Parks Master Plan. ***In progress.***
- ☐ Evaluate Community Center maintenance issues and funding; consider sustainable development practices. ***In progress.***
- ☐ Pursue affordable housing programs. Work cooperatively with Eden Housing to develop affordable senior housing. ***In progress.***

New for Council Consideration:

- ☐ Develop a long-term strategy to fund the City's evolving priorities.
- ☐ Complete the approved 2008 Planning Department work plan.
- ☐ Complete the Downtown Strategy and develop an implementation plan for its findings[AM1].
- ☐ Complete construction of the Lafayette Library and Learning Center.
- ☐ Develop a plan for the utilization of the old Lafayette Library[AM2].
- ☐ Develop a green building program.

ATTACHMENT A

PAST YEARS' GOALS

1998 - 1999

- ☑ Complete the revised General Plan
- ☑ Complete and begin implementing the Downtown Feasibility Study
- ☑ Build high quality road and drain projects
- ☑ Create a Creeks Committee
- ☑ Recreate the Downtown Master Landscaping Committee
- ☑ Install new newsracks in the downtown
- ☑ Designate a site for the new Lafayette Library
- ☑ Complete construction of the new Public Works Yard

1999 -2000

- ☑ Contract for all public works services
- ☑ Alter the Sheriff's contract to hire a full-time detective
- ☑ Design and apply new decals for police cars
- ☑ Create a code enforcement program
- ☑ Cleanup the Stoner parcel
- ☑ Rehabilitate the Manzanita Room
- ☑ Complete the planning process for the Downtown Project
- ☑ Acquire Leigh Creekside Park.

2000-2001

- ☑ Allocate sufficient resources to provide high quality road and drain improvements and maintenance in residential neighborhoods
- ☑ Provide funding for and support construction of the Lafayette Plaza Project
- ☑ Adopt new regulations to better protect hillside, ridgeline, open space, and low-density properties
- ☑ Review and approve the Revised General Plan
- ☑ Choose site for new Lafayette Library
- ☑ Allocate resources to implement the approved Technology Task Force recommendations
- ☑ Adopt a master plan for Leigh Creekside Park and provide funding for improvements
- ☑ Work cooperatively with Orinda and Moraga to implement tri-city improvements
- ☑ Appoint task force for Lamorinda trail project
- ☐ Work aggressively to locate and provide off-street parking in the downtown area

2001-2002

- ☑ Revise Mission Statement.
- ☑ Acquire site for the Lafayette Library and explore the feasibility of including City offices in the building program.
- ☑ Review and improve the City's noticing procedures.
- ☑ Review resources, processes and workloads in the Planning Department.
- ☑ Ask the Parks, Trails and Recreation Commission to research the need, feasibility and practicality of creating a dog park in Lafayette.
- ☑ Commence engineering and design work for new ball fields at 711 St. Mary's Road.
- ☑ Upgrade the City's website and on-line resources.
- ☑ Install and make use of Geographical Information System (GIS).
- ☐ Consider amending the redevelopment plan to allow for condemnation of non-residential properties.

2002-2003

- ☑ Adopt the revised General Plan, Hillside Ordinance and Housing Element.
- ☑ Issue debt at low rates.
- ☑ Begin design process for the new library.
- ☑ Develop project candidate list for the next cycle of 5-year CIP and Pavement Management Programs.
- ☑ Encourage the development of public/private partnerships at the BART block Dewing/Mt. Diablo Blvd. sites.
- ☑ Improve the development review process.
- ☐ Adopt an Eastern Deerhill Road Specific Plan.
- ☐ Adopt commercial design guidelines.
- ☐ Complete a Lafayette Parks, Trails and Recreation Master Plan.

2003 - 2004

- ☑ Revise planning and park use fees to better reflect actual city cost.
- ☑ Begin construction of a new Veteran's Memorial Building.
- ☑ Manage design for the new Library.
- ☑ Encourage the development of mixed use projects with affordable housing components.
- ☑ Hold a joint meeting with every City commission.
- ☑ Complete MORTRAC study; bring recommendations to City Council.
- ☑ Encourage the development of new housing for seniors.
- ☑ Complete the Buckeye Fields Improvements.
- ☑ Develop a long-term funding plan and mechanism for capital improvements.
- ☐ Revise the zoning ordinance to reflect changes in the General Plan.

2004-2005

- ☑ Refund outstanding and issue remaining bonds available under 1995 Road & Drain Bond debt ceiling.

- ☑ Place a new road and drain funding measure on the November ballot for consideration by Lafayette voters.

- ☑ Complete design development drawings and commence work on final construction documents for the new Lafayette Library and Learning Center.

- ☑ Recruit, hire, and train a new Police Chief.

- ☑ Consider the establishment of an Arts Ordinance and Commission.

- ☑ Complete an updated trails master plan.

- ☑ Complete construction of a new Veteran's Memorial Building.

- ☑ Adopt a new 5-year implementation plan for the Redevelopment Project Area.

- ☑ Implement housing element programs that increase the supply of senior and affordable housing.

- ☐ Evaluate the existing Lafayette Library building to determine its best use after the library is relocated. *Deferred to the Downtown Strategic Plan*

2005-2006

- ☑ Construct new traffic signal and median islands at the Lafayette Park Hotel.
- ☑ Implement capital improvements from MORTRAC study.
- ☑ Construct bike/ped improvements to Pleasant Hill Road south of Mt. Diablo Blvd.
- ☑ Work cooperatively with Town Center III developers to approve a plan for housing.
- ☑ Renovate Community Center parking lot to accommodate an enlarged roller hockey rink.
- ☑ Consider adoption of municipal environmental strategy, including a Green Building Ordinance.
- ☑ Consider options for providing increased supervision of police services, including consolidations and personnel additions.
- ☑ Evaluate and consider senior transportation options.
- ☑ Encourage the development of new housing for seniors.

2006-2007

- ☑ Demolish the old Veterans Hall and begin construction of Lafayette Library and Learning Center.
- ☑ Re-establish the Code Enforcement Program.
- ☑ Evaluate the efficacy of the Business Registration Program.
- ☑ Work to locate and provide off-street parking in the downtown area in conjunction with housing and/or other uses. *Made unsuccessful offer to purchase Moraga Road property.*
- ☑ Develop a funding strategy to address the City's neighborhood road funding deficiency. *Strategy developed, but not embraced by public.*
- ☑ Develop a funding strategy to increase police staffing. *Strategy developed, but not embraced by public.*
- ☑ Prepare and present a comprehensive report detailing the future financial capability of the Lafayette Redevelopment Agency. Begin a planning process for the expenditure of future funds.
- ☑ Begin process for formation of a subsidiary district to govern the new Lafayette Library and Learning Center.
- ☑ Complete an updated trails master plan.
- ☑ Renovate Community Center parking lot to accommodate an enlarged roller hockey rink.
- ☑ Revise assessments in the Core Area Assessment District such that the costs of maintenance equal the revenue generated by the district. *Revised assessments were not approved by property owners.*
- ☐ Complete a Lafayette Parks Master Plan. *In progress*
- ☐ Complete the approved 2006 Planning Department work plan. *In progress*
- ☐ Evaluate and consider senior transportation options. *In progress.*
- ☐ Adopt and begin implementation of the City of Lafayette Environmental Strategy. *In progress.*